

TABLE GAMES

State of Nevada
Gaming Control Board

Auditor's Name and Date

Internal Audit Compliance Checklist

**TABLE GAMES
WALK-THROUGH PROCEDURES**

Licensee: _____ Review Period: _____

NGC Regulation 6.090(15) requires the internal auditor to use guidelines, checklists and other "criteria established by the chairman" in determining whether a Group I licensee is in compliance with applicable statutes, regulations, and Minimum Internal Control Standards (MICS). The use of this checklist satisfies these requirements.

Date of Inquiry	Person Interviewed	Position

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chairman has granted a MICS variation or the question requires a "no" answer for acceptability. All exceptions noted should be carried to the internal auditor's report/summary of findings for timely follow-up.
- 3) "(#)" refers to the Minimum Internal Control Standards for Table Games, Version 5 or to the applicable regulation/statute.

Scope:

This checklist must be completed once in each fiscal six-month period.

MICS Variations and Regulation Waivers:

Obtain copies of MICS variation and regulation waiver requests and GCB correspondence regarding such requests from appropriate property personnel. Review to determine status of evidence of any waivers or alternative requirements imposed by granted variations. Modify and/or perform additional procedures as applicable.

Associated Equipment:

Determine if field trial or final approval has been received for all associated equipment used in the table games department. For all unreported associated equipment, cite violations of **Regulation 14.290**. If any associated equipment is currently on field trial, it is not necessary to perform a walk-through of the procedures in effect utilizing the field trial letter. For "approved" associated equipment, utilizing the final approval letter, perform a walk-through of any **special requirements** imposed on the use of the associated equipment including any additional controls which were included in the written system of internal control.

Verified per representation

Verified per observation/examination

VERSION 2

EFFECTIVE: July 1, 2004

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Licensee: _____ Review Period: _____

Date Approval Granted	MICS Number or Regulation	Description of Variation/Waiver Granted or Associated Equipment Approval	Number(s) of Procedure Modified or Added	W/P Ref. (if appl.)

Note: Variations/waivers and associated equipment need only be scheduled and reviewed **once in each fiscal year**. Refer to the workpaper where the details are scheduled and complete the last two columns of the above grid if walk-through procedures are affected.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Review prior internal audit reports. Schedule any relevant exceptions cited, including those cited by the GCB or the CPA, or include a copy of the prior audit reports in the workpapers and follow up on any problems noted. Duplication of exceptions when the CPA is referring to exceptions reported in internal audit reports is not necessary.				
2. Complete the CPA MICS Compliance Checklist for Table Games - General Walk-through in accordance with the CPA MICS Compliance Reporting Requirements "Guidelines" and Internal Audit Reporting Requirements "Guidelines".				

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Questions	Yes	No	N/A	Comments, W/P Reference
Waiver of Baccarat Commissions				
3. If the payment of baccarat commissions is waived:				
a) Are forms preprinted and prenumbered? Regulation 6.115(2):				
b) Does each transaction recorded include the date, shift, and time; baccarat table number; patron's name if known; dollar amount of the commission(s) not collected; and signatures of the baccarat dealer and supervisor attesting to each transaction? Regulation 6.115(2):				
c) Are such forms submitted to the accounting department at least every 24 hours, numerically reconciled and accounted for? Regulation 6.115(3)				
4. Are all gaming tables and corresponding drop boxes permanently numbered and visible at a distance of 20 feet? Regulation 1.100(1)				
5. Examine individual and statistical game documentation to determine if the records are maintained pursuant to Regulation 6.040(2)(c) .				
Surveillance				
6. Is adequate video surveillance provided over the table games area? Regulation 5.160(9) and Surveillance Standard #2				

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Questions	Yes	No	N/A	Comments, W/P Reference
Free Play and Promotional Items 7. If free play or promotional items are <u>currently</u> being offered, is the accounting treatment proper? NRS 463.0161, NRS 463.3715 and Regulation 6.110				
In-house Progressive Payoff Schedules 8. Scan progressive meter readings, including those offered in conjunction with a table games tournament, contest or promotion, for the most recent two weeks and determine that:				
a) The base amount of each progressive payoff is recorded pursuant to Regulation 5.110(2) (the base amount should be recorded when first exposed for play and subsequent to each payoff).				
b) The amount of each progressive payoff schedule is recorded at least one time daily. Regulation 5.110(2)				
c) The payoff amount has increased since the prior recording [unless related to reasons allowed pursuant to Regulation 5.110(4) , Regulation 5.110(5) and (6)].				

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Questions	Yes	No	N/A	Comments, W/P Reference
d) The payoff amount on the progressive payoff schedule has not been decreased except as allowed by Regulation 5.110(5) . (Any reduction should be supported by appropriate documentation pursuant to Regulation 5.110(2) and 5.110(5), such as a notation of a payoff, a meter repair slip, etc.).				
e) Changes in the rate of progression are documented pursuant to Regulation 5.110(3) . If no changes are detected, inquire with licensee personnel to determine if they would document such changes.				
<u>Procedures Modified or Added</u>				

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**TABLE GAMES
SOFT DROP AND COUNT WALK-THROUGH PROCEDURES**

Licensee: _____ Review Period: _____

NGC Regulation 6.090(15) requires the internal auditor to use guidelines, checklists and other "criteria established by the chairman" in determining whether a Group I licensee is in compliance with applicable statutes, regulations, and Minimum Internal Control Standards (MICS). The use of this checklist satisfies these requirements.

Date of Inquiry	Person Interviewed	Position

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chairman has granted a MICS variation or the question requires a "no" answer for acceptability. All exceptions noted should be carried to the internal auditor's report/summary of findings for timely follow-up.
- 3) "(#)" refers to the Minimum Internal Control Standards for Table Games, Version 5 or to the applicable regulation/statute.

Scope:

This checklist must be completed once in each fiscal six-month period.

MICS Variations and Regulation Waivers:

Obtain copies of MICS variation and regulation waiver requests and GCB correspondence regarding such requests from appropriate property personnel. Review to determine status of evidence of any waivers or alternative requirements imposed by granted variations. Modify and/or perform additional procedures as applicable.

Associated Equipment:

Determine if field trial or final approval has been received for all associated equipment used in the table games department. For all unreported associated equipment, cite violations of **Regulation 14.290**. If any associated equipment is currently on field trial, it is not necessary to perform a walk-through of the procedures in effect utilizing the field trial letter. For "approved" associated equipment, utilizing the final approval letter, perform a walk-through of any **special requirements** imposed on the use of the associated equipment including any additional controls which were included in the written system of internal control.

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Licensee: _____ Review Period: _____

Date Approval Granted	MICS Number or Regulation	Description of Variation/Waiver Granted or Associated Equipment Approval	Number(s) of Procedure Modified or Added	W/P Ref. (if appl.)

Note: Variations/waivers and associated equipment need only be scheduled and reviewed **once in each fiscal year**. Refer to the workpaper where the details are scheduled and complete the last two columns of the above grid if walk-through procedures are affected.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Review prior internal audit reports. Schedule any relevant exceptions cited, including those cited by the GCB or the CPA, or include a copy of the prior audit reports in the workpapers and follow up on any problems noted. Duplication of exceptions when the CPA is referring to exceptions reported in internal audit reports is not necessary.				
2. Complete the CPA MICS Compliance Checklist for Table Games - Soft Drop and Count Walk-through in accordance with the CPA MICS Compliance Reporting Requirements "Guidelines" and Internal Audit Reporting Requirements "Guidelines".				

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**TABLE GAMES
SOFT DROP AND COUNT WALK-THROUGH PROCEDURES**

Licensee: _____ Review Period: _____

Questions	Yes	No	N/A	Comments, W/P Reference
Time Drop Commenced: _____				
3. Was the removal of the drop boxes from the tables performed at the time previously submitted by the licensee to the Board per Regulation 6.130 ?				
Time Count Commenced: _____				
4. Was the count of the drop boxes from the tables performed at the time previously submitted by the licensee to the Board per Regulation 6.130 ?				
5. During the unannounced count observation, if applicable, perform a test of the:				
a) Count room currency counter, and				
b) Currency counter interface.				
6. Were the test results accurate? MICS #91				

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**TABLE GAMES
SOFT DROP AND COUNT WALK-THROUGH PROCEDURES**

Licensee: _____ Review Period: _____

Questions	Yes	No	N/A	Comments, W/P Reference
<p>6. Are all count team members properly registered with the Board? Regulation 5.101</p> <p>Note: Pursuant to Regulation 5.100 through 5.109, which are effective 1/1/04, gaming employees are no longer required to obtain and carry work cards. Instead, they must "register" with the Board. To determine whether or not an employee is registered with the Board as an employee of the licensee, obtain the employee's name and social security number or passport number and confirm with the Human Resources Department that the employee is registered with the Board pursuant to Regulation 5.105(2). If an employee has a work card issued before 1/1/04 that is still valid, he/she is considered registered and there is no need to confirm registration with Human Resources. Also note that per Regulation 5.101(2), work cards issued with no expiration date are valid until the individual's birthday in 2005. A Regulation 5.101 violation should be cited if an employee is not properly registered. Note that Douglas County is still requiring employees to obtain work permits; however, these employees will also be registered in the system.</p>				
<p>Free Play and Promotional Items</p> <p>7. If free play or promotional items were noted in the soft count, is the accounting treatment proper? NRS 463.0161, NRS 463.3715 and Regulation 6.110</p>				

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**TABLE GAMES
SOFT DROP AND COUNT WALK-THROUGH PROCEDURES**

Licensee: _____ Review Period: _____

Questions	Yes	No	N/A	Comments, W/P Reference
Surveillance				
8. Is adequate video surveillance provided over the soft count area? Regulation 5.160(9) and Surveillance Standard #7				
<u>Procedures Modified or Added</u>				

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**TABLE GAMES
TESTING PROCEDURES**

Licensee: _____ Review Period: _____

NGC Regulation 6.090(15) requires the internal auditor to use guidelines, checklists and other "criteria established by the chairman" in determining whether a Group I licensee is in compliance with applicable statutes, regulations, and Minimum Internal Control Standards (MICS). The use of this checklist satisfies these requirements.

Objectives:

To determine if controls for table games are adequate to ensure table games revenues are accurately stated in financial records and comply with the MICS.

Checklist Completion Notes:

- 1) Each step contains a parenthetical notation at the end of the step to designate the purpose of the step. Steps to ascertain compliance with a regulation or minimum standard will be followed by the appropriate regulation or standard. Steps to test the clerical accuracy of revenue will be followed by "Revenue." Steps to determine whether assets were protected will be followed by "Asset Protection."
- 2) The minimum standards quoted on this checklist are from Version 5 of the standards. Licensees must be in compliance with these standards by 1/21/04.
- 3) Document the completion of the procedures listed below. All exceptions noted should be carried to the Audit Report/Summary of Findings for timely follow-up. Indicate the workpaper reference in which the exception has been carried forward to, as applicable, in the "Exception/Comment" column.

Scope:

Unless otherwise indicated, select 1 day during the fiscal six-month period. **Indicate Test Date:** _____

MICS Variations and Regulation Waivers:

Review the MICS variations and regulation waivers scheduled during the table games walkthrough procedures. Modify and/or perform additional procedures as applicable. Note below the number of the procedures modified or added. Only the last two columns need to be completed if the remaining information is scheduled in the "Walkthrough Procedures Checklist".

Date Approval Granted	MICS Number or Regulation	Description of Variation/Waiver Granted or Associated Equipment Approval	Number(s) of Procedure Modified or Added	W/P Ref. (if appl.)

✓ - Step completed without exception

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**TABLE GAMES
TESTING PROCEDURES**

Licensee: _____ Review Period: _____

Test Date Selected:	Step completed without exception	Exception/Comment
1. Review prior internal audit reports. Schedule any relevant exceptions cited, including those cited by the GCB or the CPA, or include a copy of the prior audit reports in the workpapers and follow-up on any problems noted. Duplication of exceptions when the CPA is referring to exceptions reported in internal audit reports is not necessary.		
2. For one shift, trace the total opening table chip inventory on the master games summary to the total closing table chip inventory on the master games summary for the prior shift. Then trace the total closing table inventories to the total opening table inventories on the next shift. (Revenue)		
3. For one shift, trace opening table marker inventory on the master games summary to closing marker inventory on the master games summary from the prior shift. Then trace closing table marker inventories to the opening table marker inventories on the next shift in total. (Revenue)		
<p>4. For one shift, foot the restricted (locked box copies for manual systems, computer documentation for computerized systems) copies of the fill, credit, marker credit slips and the mass marker transfer forms (there is not a requirement that there be a restricted copy of this form) and trace to the totals on the master games summary. (Revenue)</p> <p>Note 1: For computerized systems, this procedure need only be done for one of the two test dates selected for the fiscal year.</p> <p>Note 2: Some licensees may include the marker credits and mass marker transfers in a separate column or columns on the master games summary and some may include them in the credit column.</p>		
<p>5. For one shift, determine if the win/loss calculation has been properly computed on the master games summary for one game type total. Investigate variances using source documents. (Revenue)</p> <p>Note: For computerized systems, this procedure need only be done for one of the two test dates selected for the fiscal year. For manually-prepared games summaries, <u>all</u> game types must be footed and cross-footed for both test dates.</p>		

✓ - Step completed without exception

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Licensee: _____ Review Period: _____

Test Date Selected:	Step completed without exception	Exception/Comment
6. Examine the master games summary for the proper handling of free play and promotional items. (Revenue)		
7. Trace the cash drop on the master games summary, less any transfers, if applicable, to the casino cage accountability or cash summary sheets. (Asset Protection)		
8. Trace the marker credit column total (includes mass marker transfers, if applicable) on the master games summary to the cage/vault accountability.		
9. Trace all of the employees' names whose signatures appear on the count documentation to the quarterly count personnel list required by Regulation 6.130. Note: If the test day falls in the current quarter and an employee was hired during the current quarter, indicate the date the employee started in the count and complete the step for this employee during the next table games department contact.		
10. Trace win/loss on the master games summary to the monthly revenue journal. (Revenue)		
11. For the month in which a test day was selected, foot the win/loss account(s) in the monthly revenue journal. (Revenue) Note: If the monthly revenue journal is a computerized document, footing need only be done for one of the two test dates selected for the fiscal year.		
12. For the month in the previous procedure, trace the win/loss per the monthly revenue journal to the general ledger and monthly NGC tax return. Examine general ledger accounts for the propriety of any activity that affects reported revenue. (Revenue)		
13. For the monthly NGC tax return reviewed in the previous step, use the appropriate supporting documentation to verify other components of table games on the NGC tax return (excluding no. of units).		

✓ - Step completed without exception

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Test Date Selected:	Step completed without exception	Exception/Comment
14. For the same month reviewed in the previous procedures, use the appropriate supporting documentation and perform calculations, if necessary, to verify the accuracy of the table games statistical analysis report required by Table Games MICS #148 .		
15. If a computer is used to generate table games documentation, examine the system exception report for propriety of changes to data or system parameters. (Asset Protection) Note: A system exception report documents when event data or system parameters are changed. This report may be titled with various names. This report documents data or parameters altered; data or parameter value prior to alteration; data or parameter value after alteration; date and time of alteration; and identification of user that performed alteration.		
16. Perform an inventory of all count room keys and drop box release, storage rack and contents keys. Compare to records of keys made, issued and destroyed. Make sure all keys are accounted for and there are no extra keys.		
17. For voided fills, credits and marker credits (with special attention to credit slips):		
a) Examine the slips to determine that the word "Void" is indicated on the original and first copy and that the cashier and one other person signed the original and first copy. [MICS #57]		
b) For computerized voids, trace the void to the computerized transaction log. (Asset Protection)		
c) If a computerized system is used, review the computerized transaction log to ensure that all voids are supported by physical slips that have been voided. [MICS #160c]		
18. For voided markers:		
a) Examine the marker to determine that:		
1) The word "Void" is written across all copies of the marker along with the reason for the void. [MICS #15a]		
2) The date and time of the void is indicated. [MICS #15b]		

✓ - Step completed without exception

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Test Date Selected:	Step completed without exception	Exception/Comment
3) That it was signed or initialed by two pit personnel, at least one of whom was a supervisor. [MICS #15c]		
b) For computerized voids, trace the void to the computerized transaction log. (Asset Protection)		
c) If a computerized system is used, review the computerized transaction log to ensure that all voided markers are supported by physical forms that have been voided. [MICS #160c]		
d) For markers that were voided more than 30 minutes after the issuance of the marker, ensure that the reason for exceeding this time frame is documented and evaluate the legitimacy of the documented reason. [MICS #16]		
19. For all rim credit cards, perform the following steps:		
a) For rim credit settled via the issuance of a marker, trace the marker to the pit master credit record. (Asset Protection)		
b) Ensure that the outstanding rim credit was settled by the issuance of a marker or payment in full within 7 days from the last date of recorded rim credit activity. [MICS #51]		
c) Foot the issuances/settlements on the rim card to ensure the clerical accuracy of the forms. (Asset Protection)		
20. If any free play or promotional items were in effect on the test date, determine that the accounting treatment was proper and that win/loss was properly computed.		
21. For the month in which a test day was selected, for one test day in which a contest/tournament was conducted, review the appropriate documentation to determine that entry fees and prize payouts do not have an effect on reported revenue. NRS 463.0161(2)(e) and NRS 463.0161(1) Note: If no contests/tournaments were offered in the month selected, then choose another month in which a contest/tournament was conducted.		
22. For computerized systems, obtain the personnel access listing:		

✓ - Step completed without exception

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Test Date Selected:	Step completed without exception	Exception/Comment
a) For computerized systems that have group profiles (job specific profiles), select five group profiles and determine whether the job functions (rights) assigned to the group profile are appropriate for the group. In addition, select one employee from each of the groups and determine whether the group profile is appropriate for the employee.		
b) For computerized systems that have individual profiles (profiles are customized for each employee), select ten employees, encompassing as many positions as possible, and determine whether the job functions (rights) assigned to each employee are appropriate for the employee.		
c) Verify that 5 terminated employees, which occurred during the review period, have been changed in the system from active to inactive status within 72 hours of termination.		
<u>Procedures Modified or Added:</u>		

✓ - Step completed without exception